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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/790,500	03/01/2004	Timothy M. Kilgore	3028.2.1	1033
7590 Starkweather & Associates 9035 S 1300 E Suite 1200 Sandy, UT 84094				
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EXAMINER				
RAPILLO, KRISTINE K				
ART UNIT		PAPER NUMBER		
3626				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/790,500

**Applicant(s)**

KILGORE ET AL.

**Examiner**

KRISTINE K. RAPILLO

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**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 14 January 2010.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) 9-11 and 14-20 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-8, 12-13 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 01 March 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_
- Paper No(s)/Mail Date 3/1/2004.

## **DETAILED ACTION**

### ***Notice to Applicant***

1. This communication is in response to the Request for Continued Examination (RCE) submitted January 14, 2010. Claim 1 is amended. Claims 9 – 11 and 14 - 20 are cancelled. Claims 1 – 8 and 12 - 13 are presented for examination.

### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on January 14, 2010 has been entered.

### ***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claim 1 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The term "association" is very broad and indefinite. For the purpose of examination, the term "association" will be treated as a group of members of an organization.

The term "respectively" implies the communication between the parent management company occur in a sequential order with the association health component, et al. However, the communication may occur in parallel and not necessarily in the order claimed per paragraph 55 of the present application.

The term "component" is not clear; Is the component hardware, software, or a segment of the information network (not attached or linked to a computer)?

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***Claim Rejections - 35 USC § 101***

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1 – 8 and 11 – 12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claim 1 is a system claim, however there are no hardware components, as is expected with a system claim, in the limitations.

7. The 35 USC 101 rejections of claims 14 - 20 are hereby withdrawn based upon the RCE filed January 14, 2010.

***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1 – 8 and 12 – 13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cooperstone et al. (U.S. Publication Number 2002/0022982 A1), herein after Cooperstone, in view of Chao (U.S. Publication Number 2006/0178915 A1).

In regard to claim 1 (Currently Amended), Cooperstone teaches an information network based system for providing health care benefits, comprising:

- an association (paragraph [0062]) where a small business has a plurality of members;
- a parent management company component organized to manage a health care service for the association (paragraphs [0117], [0151], and Figure 8). It is well known in the industry that human resource departments/groups manage benefit programs, including health care plans (paragraphs

[0055] through [0060]). A Professional Employer Organization is a management company which can manage a health care service for an association (i.e. business) - paragraph [0010].

- an association health component, organized by the parent management company as a subsidiary of the association and provided with the health care service and an operational process by the parent management company, the sales and administrative personnel of the association health component trained by the parent management company (paragraph [0073] and Figure 9). The Examiner interprets the training of sales and administrative personnel to be inherent to the sales and administrative personnel of the parent management company. In other words, it would be obvious for sales and administration personnel, whether temporary employees or employees of the business, to be trained in the business following the standard operating procedures of the company;
- a financial services component providing a financial service to the association health component under the direction of the parent management company (paragraphs [0073] and [0074]), where a third party administers a financial benefit package;
- a data management component organized to capture patient and employer data under the direction of the parent management company (paragraph [0107]); and
- an internet component providing internet communication and data transmission between the parent management company, the association health component, the wellness component, the risk management component, the financial services component, and the data management component respectively (figure 10 and paragraph 151) where Cooperstone discloses the use of the internet thus it would be obvious to use the internet to communicate with the various components.

Chao teaches a system for providing health care benefits comprising:

- a wellness component under the direction of the parent management company to provide a preventative care and wellness education service to the association health component (paragraph [0084] and Figure 5); and

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- a risk management component providing a risk management service to the association health component under the direction of the parent management company (paragraph [0093].

Claim 1 is rejected under 35 U.S.C. as being unpatentable over Cooperstone in view of Chao.

Cooperstone discloses an integrated system and business process for employee administration and human outsourcing to which both companies and their employees can subscribe to perform services such as payroll and insurance. The system is accessed by an internet connection and web browser. A business may choose various benefit packages, including customized Packages designed by the business, in providing insurance coverage for the employees.

Chao discloses a mass customization infrastructure which individualizes plan designs by incorporating demographics, income, drug history, medical history, and lab values resulting in improved quality for patients, improved care and productivity for patients, and lower medical costs for payers.

It would have been obvious to one of ordinary skill in the art to include in the benefit design plan for an organization of Cooperstone the ability to customize individual insurance plans as taught by Chao since the claimed invention is merely a combination of old elements, and in the combination, each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

In regard to claim 2 (Original), Cooperstone and Chao teach the system of claim 1.

Chao teaches a system wherein the association health component contracts the health care service from a service provider in coordination with the parent management company (paragraph [0085]).

The motivation to combine the teachings of Chao and Cooperstone is discussed in the rejection of claim 1, and incorporated herein.

In regard to claim 3 (Original), Cooperstone and Chao teach the system of claim 1. Cooperstone teaches a system wherein the association health component operates as an association health plan company (paragraph [0074]).

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In regard to claim 4 (Original), Cooperstone and Chao teach the system of claim 1.

Chao teaches a system wherein the association health component operates as a captive association health plan company (paragraphs [0028] and [0094]).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include a system wherein the association health component operates as a captive association health plan company as taught by Chao, within the system of Cooperstone, with the motivation of providing a tool to finance risks associated with a health care plan (paragraph [0028]).

In regard to claim 5 (Original), Cooperstone and Chao teach the system of claim 1. Cooperstone teaches a method wherein the association health component is a workers compensation company and the health care service is a workers compensation insurance (paragraph [0068]).

In regard to claim 6 (Original), Cooperstone and Chao teach a risk management component of claim 1. Cooperstone teaches a component further comprising a tracking component organized to track work and health related incidents (paragraph [0075]).

Chao teaches a system where the risk management component further comprises:

- a substance abuse component providing substance abuse screening and substance abuse policies (paragraph [0055]); and,
- a risk management education component providing risk management education programs (paragraph [0048]).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include a system comprising a substance abuse component providing substance abuse screening and substance abuse policies and a risk management education component providing risk management education programs as taught by Chao, within the system of Cooperstone, with the motivation of evaluating the risk of insuring a participant and the financial impact on the business or sponsor of insurance (paragraph [0082]).

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In regard to claim 7 (Original), Cooperstone and Chao teach the system of claim 1. Cooperstone teaches a system further comprising a point of service component configured to provide identification and billing services on the site of a service provider (paragraph [0023]).

In regard to claims 8 (Original), Cooperstone and Chao teach the system of claim 7.

Chao teaches a system wherein the point of service component comprises a data card configured to store patient data (paragraphs [0058] and [0088]).

The motivation to combine the teachings of Chao and Cooperstone is discussed in the rejection of claim 1, and incorporated herein.

In regard to claim 12 (Original), Cooperstone and Chao teach the system of claim 1. Cooperstone teaches a system further comprising an Internet component configured to allow access to the data management component, the wellness component, the risk management component, a health care service provider, the association health component, and the parent management company (paragraph [0011]).

In regard to claim 13 (Original), Cooperstone and Chao teach the system of claim 1. Cooperstone teaches a system further comprising a sales force organized to sell the health care service (paragraph [0073]).

### ***Response to Arguments***

10. Applicant's arguments filed January 14, 2010 have been fully considered but they are not persuasive. Applicant's arguments will be addressed herein below in the order in which they appear in the response filed.

### ***Claim Rejections – 35 USC § 101***

In regard to claims 1 – 8 and 12 – 13:



Although the claim was amended to include an "internet component", an actual piece of hardware is not included in the claim. The Examiner suggests adding the term "electronic" to the data transmission step which may overcome the 101 rejection. In addition, the term component is unclear as discussed in the 35 USC 112, Second paragraph rejection above.

*Claim Rejections - 35 USC § 103*

In regard to claims 1 – 8 and 12 - 13:

The Applicant argues that neither Cooperstone nor Chao disclose a reasoning to combine a wellness component and a risk management component to an association health component under the direction of the parent management company to provide additional service and programs to the members as instructed by the Applicant; the Examiner has not established a *prima facie* case of obviousness. The Examiner respectfully disagrees. Chao discloses a wellness program which includes, for example, smoking cessation and weight reduction (paragraph [0084]. In addition, Chao discloses that the infrastructure of his invention includes preventative medicine (paragraph [0052]). Cooperstone does not explicitly disclose a wellness program, however, Cooperstone discloses the selection of an insurance plan or program, therefore the wellness program of Chao would obviously be included under the broad umbrella of health insurance plans/programs disclosed by Cooperstone. Thus, the Applicant's arguments are rendered non-persuasive.

In regard to claims 1 – 8 and 12 - 13:

The Applicant argues that the Examiner used impermissible hindsight to combine the elements of Cooperstone and Chao, citing the arguments of the Office action dated January 12, 2009 consist of allegations without evidentiary support, amounting to "taking of Official Notice". The Examiner respectfully disagrees. Cooperstone teaches a method and system for selecting businesses to include in a business application based upon various parameters (i.e. number of employees, product required) (Cooperstone: paragraphs [0061] through [0065]). A product may be a benefit plan (Cooperstone: paragraph [0022]), including health benefits. Chao teaches a wellness component under the direction of

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the parent management company to provide preventative care and wellness education services to the association health component (Chao: paragraph [0084] and Figure 5); and a risk management component providing a risk management service to the association health component under the direction of the parent management company (Chao: paragraph [0093]. Chao discloses a wellness program, including smoking cessation and weight reduction described above. These features can be encompassed by the benefit plan disclosed by Cooperstone. Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include a system comprising a wellness component and a risk management component as taught by Chao, within the system of Cooperstone, with the motivation of providing an affordable health care plan to participants, who are members of an organization (or are sponsored by an organization) such as a business (Chao: paragraph [0022]).

### ***Conclusion***

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to KRISTINE K. RAPILLO whose telephone number is (571)270-3325. The examiner can normally be reached on Monday to Thursday 6:30 am to 3:30 pm Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jerry O'Connor can be reached on 571-272-6787. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/K. K. R./  
Examiner, Art Unit 3626

/Robert Morgan/  
Primary Examiner, Art Unit 3626